

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBER 22
NEWBURGH, INDIANA

January 1, 2003 to December 31, 2003

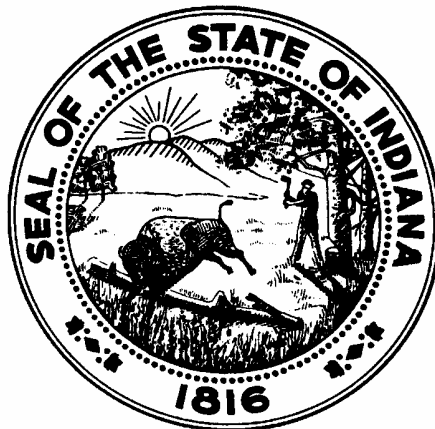


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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chairman, Bureau of Motor Vehicles Commission	Mr. Gerald Coleman Ms. Mary DePrez	01-06-02 to 02-29-04 03-01-04 to 01-05-05
Branch Manager	Mr. Larry Barr Ms. Mary Paulette Harralson (Interim) Ms. Mary Paulette Harralson	01-01-03 to 04-25-03 04-26-03 to 09-07-03 09-08-03 to 12-31-04



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE STATE BUREAU OF MOTOR VEHICLES COMMISSION

We have examined the Schedule of Collections and Distributions of the State Bureau of Motor Vehicles Commission License Branch Number 22 (Branch) for the period of January 1, 2003, to December 31, 2003. The Branch's management is responsible for the schedule. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the Schedule of Collections and Distributions and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedule referred to above presents fairly, in all material respects, the cash transactions of the Branch for the year ended December 31, 2003, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

September 27, 2004

STATE BUREAU OF MOTOR VEHICLES COMMISSION
 LICENSE BRANCH NUMBER 22
 NEWBURGH, INDIANA
 SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS
 January 1, 2003 to December 31, 2003

	<u>Amount</u>
Collections:	
Registrations	\$ 3,059,340
Titles	987,735
Drivers Licenses	115,376
Watercraft	80,502
Miscellaneous	<u>73</u>
Total	<u>\$ 4,243,026</u>
Distributions:	
State Fees	\$ 1,599,387
County Tax	2,332,141
Commission Fees	<u>311,498</u>
Total	<u>\$ 4,243,026</u>

The accompanying notes are an integral part of the schedule.

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBER 22
NEWBURGH, INDIANA
NOTES TO SCHEDULE OF COLLECTIONS AND DISTRIBUTIONS

Note 1. Introduction

The Motor Vehicles Commission was created to manage the motor vehicle license branches. The Bureau of Motor Vehicles is a separate state agency which provides support services to the Commission controlled license branches. The license branches collect fees which fund the Motor Vehicles Commission. The license branches collect and forward county taxes (excise tax, wheel tax, and surtax) and state fees. The Commission has one contractual branch that is administered by an individual contractor according to Bureau policies. The Commission has developed a mobile license branch to serve the need of CDL license issuance and other special needs as they arise.

Note 2. Collections and Distributions

Each branch collects fees and taxes when vehicle and watercraft registrations, titles and drivers licenses are sold. Fees are uniform throughout the state. The following taxes are collected by the branches: excise tax, surtax, wheel tax, and use tax.

The total daily collections are deposited to a single bank account. From this account the collections are distributed to separate bank accounts which are not controlled by the license branch and belong to the state, county and Bureau of Motor Vehicles Commission.

Note 3. Banking System

The Bureau of Motor Vehicles Commission has entered into an agreement with Bank One for a cash concentration system. The system utilizes a series of individual noninterest bearing accounts (clearing accounts) from which all fees and taxes are transferred.

STATE BUREAU OF MOTOR VEHICLES COMMISSION
 LICENSE BRANCH NUMBER 22
 NEWBURGH, INDIANA
 STATISTICAL INFORMATION
 January 1, 2003 to December 31, 2003

<u>Transactions Processed</u>	<u>Quantity</u>
Vehicle Registrations:	
Passenger	14,374
Motorcycle	584
RV (Housecar)	270
Light Truck	5,096
Other Truck	137
Farm Truck	67
Tractor	19
Trailer	2,038
Semi-Trailer	54
School and Church Bus	24
Other Bus	2
Other	<u>12</u>
Total Vehicle Registrations	<u><u>22,677</u></u>
Drivers Licenses and Permits:	
Drivers Licenses/Learners Permits	5,557
CDL Licenses/CDL Permits	127
Placards	529
Other	<u>2,887</u>
Total Drivers Licenses and Permits	<u><u>9,100</u></u>
Titles:	
Vehicles	8,020
Watercraft	<u>157</u>
Total Titles	<u><u>8,177</u></u>
Total Watercraft Registrations	<u><u>1,119</u></u>

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBER 22
NEWBURGH, INDIANA
EXAMINATION RESULTS AND COMMENTS

GENERAL AFFIDAVITS

Plates listed on a Missing Plate Affidavit were recovered and sold. Branch records did not indicate that a general affidavit was submitted to supply as required.

A photocopy of general affidavits submitted to report recovered missing plates should be attached to the original Missing Plate Affidavits. (Branch Operations Policies and Procedures Manual, Branch Filing Procedures Chapter)

REPLACEMENT PLATE APPLICATIONS

We noted that the branch does not use BMV Form 6, "Application for Duplicate or Replacement License Plate," in the manner for which it was originally prescribed or approved.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed or approved. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Page 15:3)

ATTENDANCE REPORTS

Attendance reports were not always signed by the employee or the Branch Manager.

Employee attendance reports should be signed by the employee on the last day worked in a pay period. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Page 9:4)

Employee attendance reports should be reviewed, signed and dated by the immediate supervisor of the employee. (Accounting and Uniform Compliance Guidelines Manual for State Agencies, Page 9:4)

ACCOUNTABLE ITEMS

The following schedule details missing items revealed during a comparison of actual inventory of accountable items to the Open Inventory Report of the State Bureau of Motor Vehicles at December 31, 2003. No evidence was found to indicate these items have been sold.

<u>Year</u>	<u>Plate Type</u>	<u>Plate Number</u>
2005	Trailer 3,000	48641A
2007	Passenger	27U199
2007	Passenger	27U200
2007	Passenger	29U196
2007	Passenger	29U197
2007	Passenger	29U198
2007	Truck 23,000	272U

A listing of the items that are to be accounted for to the State Board of Accounts is included in the Branch Operations Policies and Procedures Manual. (Branch Operations Policies and Procedures Manual, Supplies and Equipment Chapter)

STATE BUREAU OF MOTOR VEHICLES COMMISSION
LICENSE BRANCH NUMBER 22
NEWBURGH, INDIANA
EXIT CONFERENCE

The contents of this report were discussed on September 27, 2004, with Ms. Mary Paulette Harralson, Branch Manager. The official concurred with our findings.